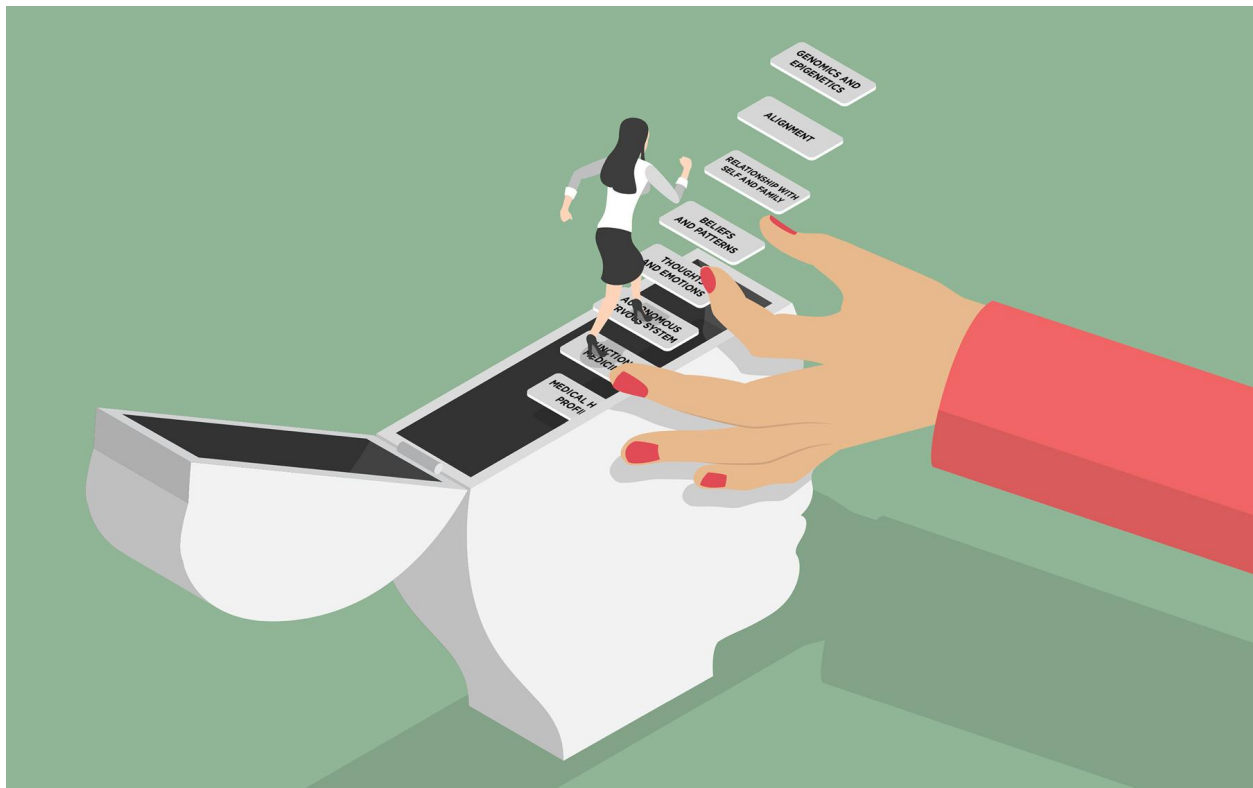


FAMILY & BUSINESS INTERFACE

Commentary #1 on *The Governance Marathon*: A research report sponsored by the FFI 2086 Society

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From *FFI Practitioner*

This week, we are pleased to share a commentary about the recently released report sponsored by the FFI 2086 Society titled, “The Governance Marathon: Dynamic Durability in Entrepreneurial Families amid Disruptions.” Thank you to Feisal Alibhai and Jeremy Cheng, one of the report’s authors, for their article that explores the importance of focusing on the individual in developing durable governance systems for a family enterprise.

The existing practice of creating formal governance for entrepreneurial families is process-driven and structure-oriented.

While governance advisors usually approach each family member to understand his or her personal aspirations and challenges, deeper work on individual issues often gets postponed, if not ignored, even though this work is necessary to reveal the underlying family dynamics. Our experience has taught us that before initiating any governance-related process, the ideal starting point is a human-systems approach followed by a family-systems approach.

In the recent 2086 Society grant report entitled, “[The Governance Marathon: Dynamic Durability in Entrepreneurial Families amid Disruptions](#),” the researchers describe enduring governance of change and adaptation in a disruptive era with the term “dynamic durability.” The fundamental premise of dynamic durability is to keep the governance system open, vibrant, organized, and adaptable. The dynamic durability of the family enterprise system is interlinked with its underlying institutions and its stakeholders.

There is yet another important piece to building dynamic durability within enterprising families: the role of the individual. It is much harder to build dynamic durability in a family enterprise system without first recognizing and then resolving deep individual issues. This article introduces an integrative approach to health and wellbeing, which focuses on human systems and has been refined over time. Combined with Dr. Murray Bowen’s family-systems approach to family dynamics,¹ this integrative approach supports individuals in their efforts to overcome their life’s challenges, to live in harmony, and to preserve the family legacy. These are goals that many growing business families seek to achieve when developing their governance systems.

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Physical, Mental-emotional, and Relational Muscles of the Individual

For a business family to have dynamic durability at least some level of resilience or anti-fragility within the family is required. Developing such resilience typically begins at the individual level and then grows throughout the entire family. Assessment of each individual's physical, mental-emotional, and relational states of being provides a baseline on which to build. The “Physical” muscle includes nutrition, fitness, sleep, gut health, brain health, DNA, and epigenetics. The “Mental-emotional” muscle consists of a person's thoughts, emotions, beliefs, and behavioral patterns. The “Relational” muscle describes an individual's inner narrative and self-perception, relationships with others, and the alignment among one's values, talents, and aspirations.

This integrative approach to health and wellbeing leads family members to build resilience and to embrace change at the individual level. Based on the author's practices, the eight steps below highlight key questions to assess and develop each muscle in the individual (see Figure 1).

1. *Medical health profile*: How protected do you feel with your current medical infrastructure?
2. *Functional medicine*: How well is your behavior serving you?
3. *Autonomous nervous system*: How energized and rested do you feel?
4. *Thoughts and emotions*: How well do you master your thoughts and emotions?
5. *Beliefs and patterns*: How much of your past determines the present?
6. *Relationship with self and family*: How connected do you feel with others?
7. *Alignment*: How aligned are you in each area of life?
8. *Genomics and epigenetics*: How close are you to your genetic potential?



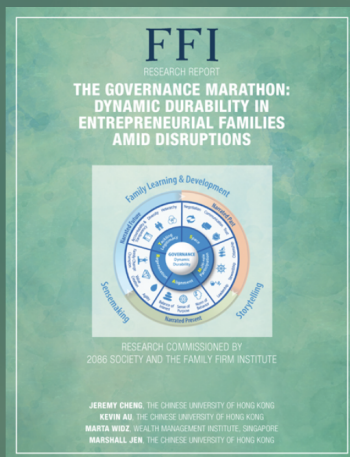
Figure 1. Qi 8 Assessment²

Once the physical, mental-emotional, and relational muscles are strengthened at the individual level, the client family and its advisor can consider addressing the family's strength with a focus on the family's systems. Assessing an individual in terms of his or her life stage, communication styles, and drivers of behavior represent initial steps. Reviewing how individuals relate in a group setting through behavioral analysis—including body language, tone, and word choice—is also informative. Aligning on values, talents, and aspirations as a family, can support bonding among its members. Shadow work on an individual and family level helps each person process and let go of perspectives that no longer serve them. Such an integrative approach to family dynamics provides agility and resilience for the family as whole. One can see resemblances between such family systems work and the building blocks of dynamic durability, such as creating *space* for negotiation, communication, and trust, and driving *alignment* toward a sense of purpose, norm of behavior, and balance of interest.

Putting into Practice

It is crucial to address individuals' health and wellbeing within a family system. Neglecting this first step can help to explain why some governance systems do not endure, and perhaps why some fail to even get launched. This was evident in a case of a family that one author advised. The family firm was trying to engage its third-generation members, and they learned about the power of family constitutions and relevant governance structures. The second-generation leaders received proposals from world-class advisors, who recommended clear steps to build a formal governance system and introduce a process-driven approach.

Sidebar



The Governance Marathon: Dynamic Durability In Entrepreneurial Families Amid Disruptions

Jeremy Cheng, The Chinese University of Hong Kong
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This research report, sponsored by the FFI 2086 Society, addresses how entrepreneurial families nurture a durable governance system in the ongoing waves of external and internal disruptions.

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Though the second-generation siblings were initially excited about the systematic approach, they gradually grew wary of the proposed governance processes. One sibling wanted to move forward with succession planning, one was unsure whether it was worth the effort, and the last was ready to call it a day due to the pain he experienced while being in the family system. When the advisor was brought in, he identified the elephant in the room: the siblings were not able to engage in necessary conversations with each other, because they were worried about how their siblings might react. The missing piece in developing the governance systems was the foundational work that the three siblings, collectively and separately, needed to do to heal from the past.

Each sibling experienced the eight steps to self-discovery outlined above and began building resilience physically, mentally-emotionally, and relationally. Retreats were conducted with the three siblings to start learning how each communicated. They addressed past conflicts to help reframe their perspectives, and they engaged with topics that had previously been left unaddressed. A values and vision workshop was then conducted with all three generations present, during which the company's origin story was celebrated and the transition to the second generation was officiated. The business is currently thriving, with fluidity of communication between the second-generation siblings, and their spouses are ready to begin a similar set of steps before the family brings in the third generation.



Dynamic Durability Revisited

Dynamic durability is achievable through building a solid foundation at the individual level before attempting to address governance challenges at the collective, family level. The 2086 Society grant recipients' "Governance Marathon" research has identified social processes that help develop dynamic durability: sensemaking, storytelling, and family learning and development. While the commentary frames the individual's development as the missing piece, the grant recipients' study addresses the importance of understanding the relationship between the individual and the collective in the following social processes:

- How can sensemaking can be better aligned at the individual and collective levels (in the case above, do all second-generation siblings see the same "truth" of what hurt each other in the past)?
- How can individuals navigate through different versions of the same family story and seek shared meaning (e.g., the second- and third-generation members may find the celebrated story of the founding generation less meaningful and inspiring)?
- How can individual learning be reinforced and turned toward collective family learning and development?

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Key Questions for Advisors

Advisors should consider the following questions as they embark on a journey of building dynamic durability in the governance system of their client families:

- Are members of the client family living authentic and fulfilling lives?
- Have we built a safe space to encourage individuals to share their personal challenges and aspirations?
- Is each family member practicing self-care and self-love before giving to others?
- Are we jumping into governance advice and structure without going deep into the human systems?
- Are we equipped to assess individual health and wellbeing systematically?
- Do we facilitate the necessary flow from the human systems to the family systems?

Governance is the collective decision-making mechanism that promotes the common good, but it does not replace the need for healthy individuals and authentic interactions between individuals and the collective.

References

¹ Kerr, M. E., & Bowen, M. (1988). *Family evaluation: An approach based on Bowen theory*. W W Norton & Co.

² *Qi8Assessment: 8 Steps to Discovery*. (n.d.). Retrieved February 9, 2022, from <https://qineticare.com/qi8-deck/>

About the Contributors



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Jeremy Cheng, FFI Fellow and recipient of the 2021 Barbara Hollander Award and co-recipient of the 2086 Society's 2020 Applied Research grant, is Founder of GEN+ Family Business Advisory and Research and is a PhD candidate at The Chinese University of Hong Kong. He is also Founding Chair of the FFI Asian Circle Virtual Study Group and a faculty member for GEN 501: Evidence-Based Advising: Using Research to Empower Family Enterprises. Jeremy can be reached at jeremycheng@link.cuhk.edu.hk.

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